

## Message Text

CONFIDENTIAL

PAGE 01 STATE 270625  
ORIGIN EUR-03

INFO OCT-01 ISO-00 ONY-00 /004 R

DRAFTED BY EUR/EE:SFROMOWITZ:DJW  
APPROVED BY EUR/EE:CWSCHMIDT  
DESIRED DISTRIBUTION  
EUR/EE ONLY, THREE COPIES ONLY  
-----085784 120318Z /62

R 111831Z NOV 77  
FM SECSTATE WASHDC  
TO AMEMBASSY BELGRADE

C O N F I D E N T I A L STATE 270625

FOR WORTZEL FROM SCHMIDT - REPLY FOR EUR/EE ONLY, 3 COPIES

E.O. 11652: GDS

TAGS:OGEN

SUBJECT: OFFICIAL-INFORMAL

1. THANKS FOR YOUR CABLE (BELGRADE 7825) ON ZAGREB  
FALL FAIR WHICH REACHED US BEFORE THE INTERAGENCY MEETING.  
SAM AND I MET WITH JACK SCANLON, GEORGE FORNER AND  
CHUCK CLARK OF USIA, BOB DAY OF EB/OCA AND HERB LINDSTROM  
OF COMMERCE. (WE TRIED TO GET HIGHER-LEVEL COMMERCE  
PARTICIPATION, BUT LINDSTROM SAID NO ONE WAS WILLING  
TO COME.) THE MEETING MADE ONE THING PERFECTLY CLEAR:  
THE PROBLEM FOR FY 78 LIES WITH COMMERCE, NOT USIA.

2. SCANLON INDICATED THAT USIA HAS A VERY FLEXIBLE AND  
FORTHCOMING POSITION RE THIS YEAR'S PARTICIPATION, BUT  
WISHES TO MAKE THE FY 78 ZFF A SUCCESSFUL BRIDGE TO  
WHAT THEY HOPE WILL BE A STRICTLY COMMERCIAL U.S.  
PRESENCE, WITHOUT USIA, IN FY 79 AND BEYOND. IN ORDER  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 270625

TO ENSURE THAT USIA EXHIBIT CENTERPIECE WILL BE EFFECTIVE  
AND BETTER THAN THE ADMITTEDLY POOR FY 77 ENTRY, SCANLON  
INDICATED USIA PREPARED TO GO BEYOND REINHARDT'S \$50,000  
COMMITMENT, PERHAPS EVEN AS MUCH AS \$150,000. HOWEVER,  
THEY DO NOT WISH TO "SQUANDER" THIS MONEY BY PAYING FOR  
PERSONNEL AND SERVICES WHICH COMMERCE SHOULD SUPPLY.

FURTHERMORE, THEY PLAN TO CREATE A CENTERPIECE SPECIFICALLY FOR THE ZFF RATHER THAN BORROWING AN ALREADY EXISTING EXHIBIT FROM ELSEWHERE. THEY WOULD BE PLEASED TO GET SUGGESTIONS FOR A THEME FROM BELGRADE/ZAGREB AND COMMERCE. THEY NEED SUFFICIENT LEAD TIME FOR THIS, AND INSIST THAT JANUARY 1 IS THE ABSOLUTE LATEST FOR STARTING WORK ON THEIR EXHIBIT.

3. COMMERCE, ON THE OTHER HAND, INTENDS TO LIMIT ITSELF TO SUPPLYING TWO VTRS (PACKAGING AND FOOD PROCESSING) AND TO SUPPLYING AN EXHIBIT MANAGER FOR "SEVERAL WEEKS". (LETTER TO THIS EFFECT, FROM WEIL TO AMBASSADOR--BUT DRAFTED BY THE OIM MAFIA--SHOULD BE GOING OUT TODAY.) LINDSTROM WAS TOTALLY UNCOOPERATIVE AND UNSYMPATHETIC TO THE FACT THAT WITHOUT COMMERCE'S SUPPORT FOR THE EMBASSY/CONSULATE RECRUITMENT EFFORT, THERE WOULD BE NO POSSIBILITY OF MAKING FY 78 ZFF A COMMERCIAL SUCCESS. HE AND OTHERS IN OIM REGARD WEIL'S COMMITMENT AS BEING VERY LIMITED, AND ARE DETERMINED TO DO NO MORE. WE USED THE EXAMPLE OF POZNAN--WHERE COMMERCE (BEWT) DID ITS BEST TO BACKSTOP THE EFFORTS OF THE EMBASSY TO STAGE A SUCCESSFUL HORIZONTAL EXHIBITION--TO ARGUE FOR MORE SUPPORT FOR ZAGREB.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 270625

4. ALTHOUGH THERE WAS LITTLE SYMPATHY FROM EITHER COMMERCE OR USIA FOR THE MULTI-YEAR APPROACH OR FOR AN ATTEMPT TO OBTAIN THE "USA PAVILION," WE PRESSED THE IDEA THAT THE ONLY WAY TO REALLY TEST THE ZFF'S COMMERCIAL VIABILITY IN FUTURE YEARS WAS TO CREATE A FAVORABLE IMAGE IN FY 78 ON WHICH WE COULD BUILD IN THE FUTURE. (THE SPECIFIC ANSWER TO YOUR QUESTION REGARDING LEGAL PROBLEMS WITH THE MULTI-YEAR APPROACH IS THAT COMMERCE CANNOT AND WILL NOT COMMIT ITSELF TO FUTURE FUNDING BEYOND FY 78. HOWEVER, THERE APPEARS TO BE NO REASON WHY THE LETTERS CANNOT SOLICIT PRIVATE COMPANY INVOLVEMENT ON A MULTI-YEAR BASIS AS LONG AS THERE IS NO PROMISE OF USG FUNDING. I REALIZE THIS MAY NOT BE TERRIBLY HELPFUL.)

5. WE WILL DO OUR BEST BACK HERE TO MOVE COMMERCE OFF ITS UNCOOPERATIVE STAND, BUT IT APPEARS TO ME THAT THE BEST OPPORTUNITY TO INCREASE COMMERCE'S SUPPORT WILL BE WEIL'S TRIP TO BELGRADE AROUND DECEMBER 2. (SEE SEPTEL.) I THINK WEIL WOULD BE SYMPATHETIC TO THE ARGUMENT THAT HIS COMMITMENT TO PARTICIPATE IN THE FY 78 ZFF WAS NOT INTENDED AS

MERELY A GIFT TWO VTRS AND THEN ABANDONMENT OF THE PROJECT. THERE ARE VARIOUS POSSIBILITIES FOR BACK-STOPPING THAT CAN BE EXPLORED, INCLUDING SUPPORT FROM THE VIENNA TRADE CENTER (WHICH IS UNDER BEWT) OR THE MILAN TRADE CENTER (WHICH WILL BECOME AN INTERNATIONAL MARKETING CENTER FOR OIM NEXT OCTOBER.)

6. FINALLY, I THINK THE PERFORMANCE OF OIM IN INTERPRETING WEIL'S COMMITMENT TO THE AMBASSADOR IS YET ADDITIONAL EVIDENCE THAT AS LONG AS YUGOSLAVIA REMAINS IN OIM IT WILL BE TREATED AS A THIRD-PRIORITY COUNTRY. VANCE

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 11-Nov-1977 12:00:00 am  
**Decaption Date:** 22 May 2009  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE270625  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** SFROMOWITZ:DJW  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770418-0512  
**Format:** TEL  
**From:** STATE  
**Handling Restrictions:**  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19771168/aaaacyd.tel  
**Line Count:** 128  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 59f4111c-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** ONLY  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** ONLY  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 30-Nov-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 618690  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** OFFICIAL-INFORMAL  
**TAGS:** OGEN  
**To:** BELGRADE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/59f4111c-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009